

Employment After Retirement



*California
Public
Employees'
Retirement
System*

Employment After Retirement

After you have retired, you may think about going back to work or taking a part-time job to earn some extra money or to occupy your time. There are some basic rules you need to know about working after retirement so you will not jeopardize your CalPERS retirement benefits — so be sure to review this information carefully.

1. You may work without restriction for any employer *not* participating in the CalPERS retirement program. However, if you retired for disability and are under age 50, you are subject to an earnings limit, and you must submit a written report of earned income to CalPERS each month. If you are receiving disability or industrial disability



Common Dandelion

Taraxacum officinale

Found throughout the United States (and in many California lawns), the dandelion's leaves can be used in tea, salad, and soups. Dandelion wine is made from the flower heads. The flower's name refers to its jagged leaves, or "lion's tooth," which is dent de lion in French.

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retirement benefits, are under 50, and your employment would cause you to perform work very similar to that done prior to your disability retirement, CalPERS may reevaluate your medical condition to determine if you should be reinstated from disability retirement.

2. You will need CalPERS approval to accept permanent full-time employment with a CalPERS-covered agency. You must either reinstate from retirement (return to active membership) or be approved to work under a specific section of the Retirement Law, unless the employment qualifies you for membership in the University of California Retirement Plan or the State Teachers' Retirement System.
3. You may work for a CalPERS-covered employer *without* reinstatement if your employment is temporary in nature or is in one of the categories permitted by law. However, you will not receive any service credit or acquire any retirement rights for this employment. The circumstances under which you may be employed are described on the following pages.
4. If you retired from a public agency on or after July 1, 1994 and received additional service credit as a retirement incentive ("golden handshake"), contact your former employer or CalPERS before working for a CalPERS-covered agency in any capacity, even as a volunteer, or you may risk forfeiting your additional service credit.



Employment Permissible Without Reinstatement

Temporary Employment — All CalPERS-Covered Employers

You may be employed by a State agency, a CalPERS-covered agency, a school employer, the University of California, or California State University based on the following conditions.

- Your employment must be either during an emergency to prevent stoppage of public business or because you have skills needed in performing work of limited duration.
- Your pay rate for your employment may not be less than the minimum, nor more than the maximum, paid to other employees performing comparable duties.
- The combined amount of time you may work for *all* employers is limited to 960 hours. This may be based on either a calendar year or fiscal year, depending on the employer and type of employment shown below.

**State agency, CalPERS-covered agency,
or nonacademic position with the
University of California — calendar year.**

**Academic staff of California Community
Colleges or University of California —
fiscal year.**



Academic staff of California State University — fiscal year (or 50 percent of the hours you were employed during your last fiscal year of service prior to retirement), at employer’s discretion.

Note: Any faculty employee of a California State University who retired between August 15, 1992 and October 3, 1992, and received the four additional years of service retirement incentive will forfeit the additional service and allowance increase if employed under contract or on any other basis with the Trustees of the California State University. (The only exception is noncompensated service.)

School employer or nonacademic staff of California State University — fiscal year.

Substitute at California School for the Deaf or California School for the Blind — If you are employed as a substitute in a position requiring certification qualifications (under Section 59007 or Section 59113 of the Education Code), the basis for the 960-hour limit is fiscal year.

Juror or Election Officer

You may serve as a juror or election officer and receive fees for such service.

School Crossing Guard

You may be employed as a school crossing guard and receive wages for such service.

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Preparation for Litigation/Testimony for Former Employer

If your former employer needs your services to prepare for potential or actual litigation or to testify in trial proceedings or a hearing, you may be paid per diem and travel expenses. However, you may not be paid a rate higher than the rate paid other persons for similar services. Your per diem allowance will be reduced by the retirement benefit paid to you for the days of employment.

If you are a retired State employee, this type of employment must be approved by the Department of Personnel Administration. If you are retired from a CalPERS-covered agency, the governing body of the agency must approve your employment.

Appointive Positions

You may serve as a member of any salaried or nonsalaried board, commission, or advisory committee if you are appointed by the Governor, Speaker of the Assembly, President pro Tempore of the Senate, the director of a State department, or the governing board of the CalPERS-covered agency.

You may be appointed to serve as a member of the governing body of a CalPERS-covered agency. The compensation for this position may not exceed \$100 per month.

You may be appointed by either house of the Legislature or a legislative committee to a position deemed by the appointing power to be temporary in nature.

You may be appointed by the governing body of a CalPERS-covered agency to a position deemed by the governing body to be of a limited duration and requiring specialized skills. This appointment shall be only to fill a temporary vacancy until a permanent appointment can be made.

Elective Positions

You may serve as an elected official without reinstatement from retirement. However, any retirement allowance based on previous service in the same elected position will be suspended for your current term in office.

Employment of Persons Retired for Disability

If you are retired because of a disability, you may work for any employer not covered by CalPERS and continue to receive disability retirement benefits. There is no limit on the number of hours of employment; however, there is an earnings limit on the amount you may earn if you are under age 50 — unless your retirement is classified as an

Cattail

Typha latifolia

Cattails can be found in ponds or marshes throughout California. The long, flat leaves of these reedy plants are often used to make mats and chair seats.




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industrial disability. If you are subject to the earnings limit, your retirement allowance will be reduced whenever the total of the *employer* portions of your CalPERS pension, and your new salary exceeds the amount of the current compensation paid to those in the classification from which you retired.

If you are under age 50 and your employment causes you to perform job duties very similar to those performed prior to your disability retirement, CalPERS may reevaluate your medical condition to determine if you should be reinstated from disability retirement.

Under certain conditions you may work more than 960 hours for a CalPERS-covered employer while retired for a disabling condition:

- your employment must be in a position and member classification that is different from the job from which you were found to be disabled;
- you must have approval from CalPERS before you begin employment; and
- the total of the employer-paid portion of your monthly allowance and your new earnings cannot be greater than the current compensation of the position from which you retired. (If it is, your retirement allowance will be reduced.) This earnings limit does not end when you reach age 50.



Consequences of Employment Not Allowed by Law

The law provides consequences for employment outside of the described limits previously discussed, which may apply to both the retired CalPERS member and the employer.

If you accept employment in a permanent full-time position with a CalPERS-covered employer before you have CalPERS written approval of your request for reinstatement, you may be subject to mandatory reinstatement from retirement. The law requires you to reimburse CalPERS for any retirement allowance received during the period of employment in violation of the law.

You will also have to pay CalPERS the amount of member contributions that would be due if you had been brought into active membership on a timely basis, plus interest. There may also be an assessment for administrative expenses incurred by CalPERS, to the extent that you are determined to be at fault.

The agency employing you in violation of the provisions of law will have to pay CalPERS an amount equal to the employer contributions that should have been paid for the period of the employment, plus interest. The employer may also have to contribute toward administrative expenses incurred by CalPERS, to the extent the employer is found to be at fault.



Important Notice

If you are reinstated from retirement and are having CalPERS Long-Term Care Program premiums deducted from your retirement check, you will need to call the program's Customer Service Center at (800) 982-1775 to find out the steps you need to take to continue your deductions.

For More Information

If you have questions or need further information about employment after retirement, please contact your nearest CalPERS Regional Office.

CalPERS Benefit Services Division

P.O. Box 942711

Sacramento, CA 94229-2711

(800) 352-2238

(916) 326-3240 — Telecommunications
Device for the Deaf

(916) 326-3934 — FAX

CalPERS Regional Offices

Refer to ***Do You Have The Right Number?*** (PERS-PUB-19) for a directory of CalPERS Regional Office locations.

(Addresses are also available on the CalPERS On-Line web site.)

CalPERS On-Line

www.calpers.ca.gov

While reading this material, remember that we are governed by the California Public Employees' Retirement Law. The statements in this booklet are general. The Retirement Law is complex and subject to change. If there is a conflict between the law and this booklet, any decisions will be based on the law and not this booklet.



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